

NEWS

Casey Sayre & Williams, Inc.

3110 Main Street, The Annex
Santa Monica, California 90405

For: **LOWE ENTERPRISES**

Date: April 8, 2008

Contact: Karen Diehl
(310) 396-2400

SAN DIEGO COUNTY BOARD OF SUPERVISORS APPROVES LOWE ENTERPRISES DISPOSITION AND DEVELOPMENT AGREEMENT FOR COUNTY OPERATIONS CENTER AND ANNEX REDEVELOPMENT

-- Sustainable office campus in Kearny Mesa will ultimately provide approximately 900,000 square feet of office space for key county services --

SAN DIEGO – The San Diego County Board of Supervisors has approved Lowe Enterprises' Disposition and Development Agreement for the County Operations Center and Annex redevelopment in Kearny Mesa. The Board also certified the project's Environmental Impact Report, setting the stage for Lowe Enterprises to redevelop the 37-acre County Operations Center site into a modern, efficient campus with approximately 900,000 square feet of office space, built to LEED Silver Certification standards, along with service buildings and parking.

"We will deliver to the County state-of-the-art facilities that will allow them to consolidate operations on their own campus," said Mike McNerney, senior vice president, Lowe Enterprises Real Estate Group. "Staff will have a highly professional environment that will foster collaboration. The landscaped, open spaces connect the buildings throughout and offer options for work breaks or casual conferences."

The County Operations Center, located on Overland Avenue, will be developed in two phases. Lowe Enterprises will begin work on the first phase in the fall. One of the key components in phase one is the development of a central plant that will provide the mechanical systems to run the entire campus. Four 150,000-square-foot, four-story office buildings and a 20,000 square-foot

conference center and cafeteria also are included in phase one. They will feature sustainable design incorporating a variety of energy efficient, green building technologies. Abundant windows will allow for natural light, while energy efficient roofing and glazing systems will reduce heat gain. Landscaping will feature water efficient plants and an irrigation system to reduce water usage. Phase one also includes a seven-level parking structure and offsite improvements to mitigate traffic impacts.

The first step in the construction process will be the demolition of several existing structures that are more than 40 years old. Development of the first phase is expected to be completed over the next four years.

The remaining phase of the development is comprised of an additional two 150,000-square-foot, four-story office buildings, identical to the buildings in phase one, and another parking structure.

To assist the County in defraying its costs to build the new campus, Lowe Enterprises and Fairfield Residential will acquire the approximately 19.5 acre Annex site from the County.

Lowe Enterprises is an experienced national developer with first-hand knowledge of the San Diego market. Along with the acquisition and disposition of several industrial and office properties in the area, the company also completed the 75,000 square foot Ocean Ridge, Class A office development in Carlsbad in 2006. In addition, Lowe Enterprises owns a 10-acre site entitled for 270,000 square feet of office and R&D development in the Rancho Bernardo area. Through affiliate, Lowe Hospitality Group, it developed and operates the Estancia La Jolla Hotel and Spa and is currently completing a \$24 million renovation of the L'Auberge Del Mar Resort and Spa to be completed in early June.

About Lowe Enterprises

Los Angeles-based Lowe Enterprises is a leading national real estate investment, development and management firm. Over the past 36 years, it has developed, acquired or managed more than \$9 billion of real estate assets nationwide. The firm is currently developing \$3 billion of commercial and resort/planned community projects nationwide. Through its investment management affiliate, the firm currently manages \$4 billion in real estate assets on behalf of institutional and investment clients.

In addition to its Los Angeles headquarters, Lowe Enterprises maintains regional offices in Denver, Irvine, Phoenix, San Francisco, Sacramento and Washington, D.C.